

**REMARKS**

Claims 1-14 were pending. Claims 4, 5, and 7-14 have been canceled and new claims 15-17 are added herein. Thus, claims 1-3, 6, and 15-17 are now pending. The applicant respectfully requests reconsideration and allowance of this application in view of the above amendments and the following remarks.

The applicant notes with appreciation the acknowledgement of the claim for priority under section 119 and the notice that all of the certified copies of the priority documents have been received.

The applicant acknowledges and appreciates receiving an initialed copy of the form PTO-1449 which accompanied the Information Disclosure Statement that was filed on March 2, 2004.

Claims 1-3 and 5 stand rejected under 35 USC 102(b) as being allegedly anticipated by JP 62-201957 (hereinafter "JP '957"). The applicant respectfully requests that this rejection be withdrawn for the following reasons.

Applicant first notes that claim 1 is amended herein to remove the feature that a magnetic-field generating portion is formed by magnetizing at least one of the chip mounting member, the adhesive material, and to recite that a magnetic-field generating portion is formed by magnetizing the encapsulating material.

A close review of the JP '957 reference reveals a magnetic sensor having a magnetic sensor chip 2, a lead frame 1 on which the magnetic sensor chip 2 is attached by adhesive 5, a lead 10 electrically connected to the magnetic sensor chip 2 by wires 3, wherein the thermosetting resin 4 encapsulates the chip 3, the lead frame 1, the bonding wires 3, and the adhesive material 5.

It is important to note that in accordance with JP '957, the adhesive 5 is magnetized only after the magnetic sensor chip 1 is attached to the lead frame. In making the rejection, the Examiner notes that, as to claim 2, on page 5 lines 12-17, the encapsulating material 4 is allegedly shown and described as being magnetized at a portion opposite to the position at which the magnetic sensor ship is mounted. The Examiner further refers to Figure 1 where magnetized encapsulating material on top of the magnetic sensor chip is allegedly shown.

However, a close review of JP '957 fails to reveal such a teaching, e.g. that the encapsulating material is magnetized. JP '957, at best, describes only that magnetic particles are mixed with the *adhesive* to be magnetized.

Although the above noted remarks by the Examiner were directed toward claim 2, these remarks reveal a fundamental weakness in the application of JP '957 to claim 1. Applicant notes that claim 1 is amended herein to remove the reference to magnetizing the adhesive reciting only that the encapsulating material is magnetized. The amendment to claim 1 thereby distinguishes claim 1 over JP '957 since JP '957 clearly fails to disclose or suggest that the encapsulating material is magnetized as claimed.

Accordingly, it is respectfully submitted that for at least the reasons set forth herein above, the rejection of claim 1 should be reconsidered and withdrawn in that a *prima facie* case of anticipation cannot be sustained since JP '957 fails to disclose all the claimed elements as required.

Claims 2, 3 and 5, by virtue of depending from claim 1, are allowable for at least the reasons set forth herein above. It is respectfully requested that the rejection of claims 2, 3, and 5 be reconsidered and withdrawn.

Claims 4 and 6 stand rejected under 35 USC 103(a) as being allegedly unpatentable over JP '957 in view of Masahisa JP 62-250784 (hereinafter "JP '784"). Claim 4 is canceled herein and will not be discussed. With regard to claim 6, the applicant respectfully requests that this rejection be withdrawn for the following reasons.

In claim 6, a chip mounting member, a magnetized adhesive and an encapsulating material are clearly recited as all being magnetized. For the reasons set forth herein above, it is noted that JP '957 fails to disclose for example, that the encapsulating material is magnetized.

Applicant notes that JP '784 describes a magnetic sensor including a comb shaped pattern 2, and a substrate 3 on which the comb shaped pattern 2 is attached. The substrate 3 is made of a hard magnetic material and is magnetized. JP '784 also fails to disclose or suggest that an encapsulating material such as the mold layer 5 is magnetized.

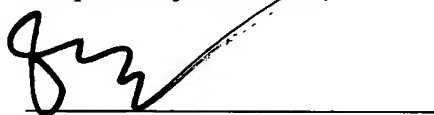
Accordingly, the applied art combination fails to teach or suggest that a chip mounting member, a magnetized adhesive and an encapsulating material are all magnetized. It is respectfully requested therefore that the rejection of claim 6 be reconsidered and withdrawn.

New claims 15 and 16, by reciting, for example, magnetizing of the encapsulating material, distinguish over the applied references for at least the reasons set forth herein above. Claim 17, recites the novel embodiment described, for example, on page 16 lines 1 and 2. Favorable consideration is respectfully requested.

In view of the foregoing, the applicant respectfully submits that this application is in condition for allowance. A timely notice to that effect is respectfully requested. If questions relating to patentability remain, the examiner is invited to contact the undersigned by telephone.

Please charge any unforeseen fees that may be due to Deposit Account No. 50-1147.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. L. Scott, II', is written over a horizontal line.

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